

FOR OFFICIAL USE ONLY (FOUO)

BUSINESS CLEARANCE MEMORANDUM

(Original to be returned to initiating contracting office)

Clearance No.

PR No.: N00164-14-R-JT81 REQ 0001

CONTRACTING OFFICE: NSWC CRANE

DATE: 05/16/2016

Type of Procurement (Check one):

- ☐ Sealed Bidding ☐ Negotiated under 10 U.S.C. 2304(b) ☐ 1-2 ☐ A-C
☒ Full and Open Competition ☐ Negotiated under 10 U.S.C. 2304(c) ☐ 1-7
☐ Negotiated Pursuant to Changes Clause

Type of Contract(s)
R&D, CPFF Delivery Order

Clearance Total (including options):
\$999,966.15

Clearance:

- A. ☒ Pre-Negotiation B. ☐ Authority to Contract C. ☒ Competitive
☐ Post-Negotiation ☐ Authority to Establish Final Price ☐ Noncompetitive
☐ Letter Contract or UCA ☐ 8(a)

Contractor(s):

Name

Address (City, State)

Contract No.(s)

TBD

Program

(b)(5)

Description of Supplies/Services

Research and Development (R&D) of an analytic tool to support open source intelligence (OSINT) requirements

Pricing Structure (if CPAF indicate base and award fee):

Pre-Negotiation

Post-Negotiation

Cost (Excl. COM).....	_____	_____
Cost of Money.....	_____	_____
Total Cost.....	_____	_____
Fee/Profit (%).....	_____	_____
Base Fee (%).....	_____	_____
Award Fee (%).....	_____	_____
Total.....	\$999,966.15	_____
Ceiling Price(%).....	_____	_____

Delivery or Period of Performance:

To Commence Upon contract award To Finish 12 months from date of award

Contact Points for this Docume

Contract Specialist/Negotiator

(b)(6)

Phone (Com)

(DSN)

Technical

(b)(6)

Phone (Com)

(DSN)

(b)(6)

BUSINESS CLEARANCE MEMORANDUM

(Signature page - additional pages attached set forth facts)

Clearance No. _____

Clearance Recommendation:

(b)(5)

Business Clearance Memorandum Prepared by:

Com _____

Date _____ DSN _____

Concur:

Contracting Officer

DSN _____

Date _____ Com _____

Reviewing Official(s)

DSN _____

Date _____ Com _____

DSN _____

Date _____ Com _____

(Reserved for Approving Official. See NCH 1.690)

☐ Unconditional Approval

☐ Conditional Approval

☐ Not Approved

Name _____ Date _____

Title _____

Conditions (if applicable):

SECTION II

PRE-NEGOTIATION COMPLIANCES

1. Documentation for Other than Full and Open Competition:
 - a. Determination and Findings (D&F) Number N/A to "Exclude a Source (FAR 6.202 and FAR Subpart 1.7)" was approved on _____ by _____.
 - b. Justification and Approval (J&A) for "Other than Full and Open Competition" was approved pursuant to the authority of 10 U.S.C. 2304(c)() on N/A by _____.
2. Acquisition Plan (AP) number _____, dated _____ was approved on _____ by _____. This acquisition is in conformity with the approved AP. Yes ☐ No ☐ N/A ☒. If no, explain (FAR Part 7). **AP was not required for initial award.**
3. Synopsis of this acquisition was released to the Governmentwide point of entry (GPE) at <http://www.fedbizopps.gov>. Yes ☐ No ☒. If No, explain (FAR 5.202). **Synopsis not required in accordance with FAR 5.202(a)(6)**
4. Services:
 - a. The Contracting Officer has made a determination, in accordance with FAR 37.103, that this acquisition contains only non-personal services as defined by FAR 37.101. (Use NCH 53.37-1 format.) Yes ☐ No ☐ N/A ☒. If no, explain.
 - b. Advisory and Assistance Services (FAR 37.2) ☐ are, or ☒ are not, approved for this acquisition. (Cite the requirement for approval.) (Use NCH 53.37-2 format.)
5. Pre-Award Disclosure Statement - Cost Accounting Practices and Certification was executed on 01 DEC 2015. (FAR 30.201-3 and 52.230-1). The Cognizant ACO determined that said Disclosure Statement was current, accurate and complete on 09 DEC 2015 (effective date is 02 JAN 2016).
6. Field pricing assistance was requested (FAR 15.404-2). Yes ☐ No ☒ N/A ☐. If no, explain. Not required.
7. The Contractor has an adequate Accounting System as determined by the CAO/DCAA on 21 MAR 2016.
8. The Contractor has an approved Purchasing System as determined by the ACO on 15 MAR 2016 (FAR 44.304).
9. a. Cost or pricing data (FAR 15.403) is required: Yes ☐ No ☒. If no, explain. **Adequate Price Competition**
 - b. Cost or Pricing Data for major subcontract(s) has been submitted in accordance with FAR 15.404-3.
Yes ☐. No ☐. If No, explain (Example: No major subcontract(s)).
 - c. Subcontractor Field Pricing/Assist audits have been requested or received.
Yes ☐. No ☒. If No, explain (Example: None required)

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10. Pre-contract costs (\$_____) were approved on _____ by _____.
N/A ☒.
11. An approved Make or Buy Plan is on file (applicable to both supplies and services - see FAR 15.407-2).
Yes ☐. No ☒. If No, explain.
12. EEO Compliance has been requested or obtained (FAR 22.805(a)(1)).
Yes ☒. No ☐. If No, explain. **EEO Compliance obtained 11/3/2014.**
13. a. A warranty clause pursuant to FAR 46.7 ☐ is, or ☒ is not, applicable to this acquisition. **No higher level warranty is required.**
b. Use of a warranty has been approved by the chief of the contracting office in accordance with DFARS 246.704. Yes ☐ No ☒. If no, explain.
14. Exemption of the Buy American Act (FAR 25.103) ☐ is, or ☒ is not, applicable to this acquisition.
15. Subcontracting plan is required. (FAR 19.702) Yes ☐ No ☒. If no, explain.
No subcontracting possibilities exist in accordance with FAR 19.705-2(c).
Determination is signed and located in the contract file.
16. Progress Payments ☐ are, or ☒ are not, applicable to this acquisition.
17. All the information in the Federal Awardee Performance and Integrity Information System (FAPIS) at <http://www.ppirs.gov> and other past performance information (see FAR Subpart 42.15) has been considered, and the prospective contractor has been determined to be responsible within the meaning of FAR Subpart 9.1. Yes ☒ No ☐. If no, explain.
18. Verification has been made that the prospective contractor is not on the Excluded Parties List at <https://www.sam.gov/portal/public/SAM/> (FAR 9.4).
Yes ☒ No ☐. If no, explain.
19. This clearance complies with the requirements of DOD Instruction 7640.02, "whereby contracting officers shall fully consider all contract audit findings and recommendations in developing the pre-negotiation and post-negotiation positions, if applicable, including the assessment of recommended penalties and interest." Yes ☐ No ☐ N/A ☒. If no, explain.
20. Identify any other compliances.
a. Shipbuilding and Ship Repair only: The complexities or impact of this acquisition necessitate ACO involvement in the pre-award process. Yes ☐ No ☒. If no, explain. **Not applicable**

b. Acquisitions of Electronic and Information Technology (EIT) supplies and services: All EIT accessibility standards required by Section 508 of the Rehabilitation Act of 1973 (29 U.S.C. 794d) and the Architectural and Transportation Barriers Compliance Board are incorporated into the solicitation (FAR 39.2). Yes ☐ No ☒. If no, explain. **Not Applicable.**

c. If the dollar Value Cited on the clearance exceeds the dollar value cited on any of the planning documents (Part C, J&A, AP, etc.), explain. Note

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and justify any significant deviations from the approved plan (including milestone chart). **The dollar value cited on the clearance does not exceed the dollar value cited on any of the previous planning documents.**

- d. If the scope of the effort has changed materially since the previous planning document/CRB review, explain.

The scope of the effort has not changed materially since the previous planning document.

- e. If IDIQ, briefly discuss procurement history including stating what activities are authorized to place orders against the contract.

This is a delivery order against an existing IDIQ contract. Only NSW Crane is authorized to place orders against the contract.

- f. IAW Section 808 (C) (2), if a continuing services contract greater than \$10M is awarded in FY 12 or FY13 at a cost higher than the same or similar services were provided to the Government in FY 10, complete a D&F and submit to DASN(AP). **N/A - This is not a services contract.**

- g. Contract Business Analysis Repository (CBAR)

A) Effective June 24, 2013 all negotiated, SOLE SOURCE contract pricing actions that exceed \$25M shall add their signed Pre and Post BCMs to the CBAR repository. **N/A - This is a competitive action**

- h. Identify any tripwires IAW NAVSEA HCA Contracting Tripwire Interim Policy.

N/A - This procurement is not subject to tripwires.

- i. If the contract obligates more than \$250 million, has clearance been submitted and approved through the Director, Defense Procurement and Acquisition Policy? (obligation is defined as dollars obligated on the instant contract action or the total amount of dollars planned for obligation in FY14 for the program, project, or activity)

N/A - less than \$250M

21. An official contract file has been created and contains required decisions in support of this clearance. Yes ☒ No ☐. If no, explain.

SECTION III

SUMMARY OF KEY DOCUMENTS, ATTACHMENTS AND EXHIBITS

Identify the type of analysis used (see FAR 15.404).

A. ☒ COST ANALYSIS. (Identify by reference and date each key document.)

1. Solicitation: N00164-14-R-JT81 REQ 0001 dated 25 JAN 2016

2. Contractor Proposal(s):

- Offeror Proposal submitted by
- Offeror Proposal submitted by
- Offeror Proposal submitted by
- Offeror Proposal submitted by

(b)(3)

3. DCAA Report(s): _____

4. ACO Report(s): _____

5. Technical Advisory Report(s): _____

6. Pre-Award Survey: _____

7. Subcontractor Proposal(s): _____

8. Other : _____

B. ☒ PRICE ANALYSIS

 X 1. Competitive Bid/Proposal.

 2. Competitive Published/Market Price Lists

 3. Historical Information.

 4. Parametric Estimating

C. LIST OF ATTACHMENTS

1. List of Multiple Award Contract (MAC) holders
2. Approved Source Selection Plan dated 15 JAN 2016
3. Source Selection Evaluation Board (SSEB) Report, dated 11 MAY 2016
4. Solicitation Section M
5. Cost Realism Report dated 11 MAY 2016

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SECTION IV. INTRODUCTION

A. Purpose

The purpose of this pre-negotiation business clearance memorandum is to request authority to enter into discussions with the offerors in the competitive range. The Government anticipates awarding one (1) Cost Plus Fixed Fee (CPFF) delivery order for research and development (R&D) of an analytic tool to support open source intelligence (OSINT) requirements. This pre-negotiation BCM requests approval of a competitive range determination. Two of the four offeror's have been determined to be in the competitive range.

B. Background

1. A total of thirteen (13) multiple award contract(s) (MACs) were awarded in April 2015 under solicitation N00164-14-R-JT81. The MAC scope includes the design, engineering, fabrication, and test of special intelligence, surveillance, and reconnaissance (ISR) components and systems that have met Technology Readiness Level (TRL) 6 maturity. The MACs include six (6) technology areas (TA) including:

CLIN 0001 - Technology Area 1

Tagging, tracking, and locating (TTL) systems and their associated situation awareness components that are employed for both friendly, red force, and hostile force tracking.

CLIN 0002 - Technology Area 2

Processing, Exploitation and Dissemination (PED) systems that are interoperable, fusion capable, and contain cross domain solution innovations that considers Department of Defense (DOD), Other Government Agencies (OGAs), and coalition partner implications.

CLIN 0003 - Technology Area 3

Special communications enterprise solutions which are interoperable within the ISR enterprise

CLIN 0004 - Technology Area 4

Mobile SIGINT solutions including software defined radio, antenna development, precision geo and direction finding technologies across a variety of threats, SIGINT fusion with other intelligence collection systems such as TTL, Special Communications, and Unattended Ground Sensors (UGS); improved system network capabilities.

CLIN 0005 - Technology Area 5

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Sensitive site exploitation technologies for forensic analysis of information technology, mobile communication devices, documents and media exploitation (DOMEX), biometric collections and identification, and physical characterization of site materials/debris.

CLIN 0006 - Technology Area 6

Persistent surveillance systems including UGS, activity sensors and active sensors, UGS controller devices, data infiltration/exfiltration devices, and device network capability.

Each TA has a group of MAC holders. See Attachment 1.

The current requirement is for research and development (R&D) within CLIN 0002 (TA 2 - PED Systems). (b)(3)

(b)(3)

Procurement history - This is the first procurement under the MAC. There are no prior competitions or procurement history for this requirement.

2. Pre-solicitation conference.

A pre-solicitation conference was not conducted. As part of market research, a Request for Information (RFI) was sent to the eight (8) CLIN 0002 MAC Holders on 05 JAN 2016 soliciting interest in the procurement. A total of five (5) of the vendors responded that they would be interested in submitting a proposal for the requirement.

3. RFP.

Solicitation N00164-14-R-JT81-REQ 0001 was released on 25 JAN 2016 and closed on July 18, 2014. The solicitation was sent to the eight (8) CLIN 0002 MAC Holders: (b)(3)

(b)(3)

Four (4) timely offers were received from: (b)(3)

(b)(3).

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There was one (1) amendment issued:

Amendment Number	Date Issued	Purpose
01	02-12-16	Answer vendor questions

Summary of major deliverables:

In accordance with solicitation provision CNIN-L-0002 PROPOSAL REQUIREMENTS - BEST VALUE, the following Proposal Volumes were requested:

VOLUME I - Technical Proposal
VOLUME II - Past Performance
VOLUME III - Pricing

C. Source Selection Plan

The source selection plan was approved by the Source Selection Authority on 15 JAN 2016.

For further detail, refer to the Source Selection Plan (SSP) Attachment 2.

D. Type of Contract

The solicitation stated that award of a Cost Plus Fixed Fee (CPFF) delivery order is anticipated. Cost Reimbursement contracts are best suited when circumstances do not allow the agency to define its requirements sufficiently to allow for a fixed-price type contract or uncertainties involved in contract performance do not permit costs to be estimated with sufficient accuracy to use any type of fixed-price contract. Typically, R&D efforts are procured via cost reimbursement contracts.

However, after the solicitation was issued, one of the vendors inquired if the Government would accept a Firm Fixed Price (FFP) proposal. FFP contracts are best suited for acquiring supplies and services on the basis of reasonably definite functional or detailed specifications when the contracting officer can establish a fair and reasonable price at the outset. The contract specialist reviewed with the Procuring Contracting Officer (PCO) and Requiring Technical Activity (RTA) and determined that a FFP proposal would be an acceptable alternative. The basic MAC's contain clauses for both contract types. Therefore, Amendment 01 contained a statement that either CPFF or FFP proposals were acceptable.

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SECTION V. PROPOSAL RECEIPT, ANALYSIS AND EVALUATION

The proposals were due on 25 FEB 2016 at 1400 local time. Four (4) timely offers were received prior to the proposal closing time. The following offeror's submitted proposals:

- (b)(3)
-
-
-

The Source Selection Board (SSEB) Team kick-off meeting was held by Office of Counsel, Contracting and the SSEB Chairperson on 08 MAR 2016 with the following attendees:

(b)(5)

All board members completed, prior to start of evaluation, all financial disclosure forms, conflict of interest forms and non-disclosure forms. The forms (except financial) are located in the contract file. The SSEB chairperson is (b)(5) and he submitted the SSER.

A. Initial Evaluation

Table 1 below depicts the overall evaluation assessment and Summary Evaluation of the offeror's based upon the source selection criteria.

Table 1

FACTOR I - Technical	(b)(5)
FACTOR III - Past Performance Overall	
FACTOR II- Price	

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1. Technical/Past Performance Evaluation

(b)(5)

A summary of the SSEB findings, by Offeror, for the technical, management and past performance factors is found in Table 2.

Table 2

FACTOR I - Technical	(b)(5)
Subfactor A - Transition Approach	
Subfactor B - Transition to Production	
Factor II - Past Performance	

Note: (S) Strength; (W) Weakness; (SW) Significant Weakness; (D) Deficiency
For further detail, refer to the SSEB Report (Attachment 3).

2. Cost Realism Analysis

(b)(5)

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(b)(5)

Table 3 provides a general overview of the cost realism assessment performed IAW FAR 15-404-1(d) of the cost proposals submitted in response to solicitation N00164-14-R-JT81 REQ 0001:

Table 3

Offeror	Proposal	TEC	Δ Delta	Percent Δ Delta
(b)(5)				

For the complete cost realism analysis, see the complete Cost Realism Report (Attachment 5).

4. Initial CARP/SSAC Evaluation

Neither a Contract Award Review Panel nor Source Selection Advisory Council was established for this procurement and is therefore not applicable.

5. Competitive Range

(b)(5)

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(b)(5)

B. Discussions

(b)(5)

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(b)(5)